

MORTGAGE FORECLOSURE COUNSELING

This listing is current as of **10/13/2010**.

Agencies located in HAWAII

Agency Name: HAWAII HOMEOWNERSHIP CENTER - HILO BRANCH

Phone: 808-959-5808

Toll Free:

Fax:

Email:

Address: 1990 Kinoole St., #102

Inside State's Workforce Develop Office

Hilo, Hawaii 96720

Counseling Services:

- Financial Management/Budget Counseling
- Mortgage Delinquency and Default Resolution Counseling
- Non-Delinquency Post Purchase Workshops for Homeowners
- Pre-purchase Counseling
- Pre-purchase Homebuyer Education Workshops

Languages: - English

Affiliation:

Website: n/a

Agency Name: LEGAL AID SOCIETY OF HAWAII

Phone: 800-499-4302

Toll Free: 800-499-4302

Fax: 808-969-3983

Email:

Address: 305 Walluku Dr

Hilo, Hawaii 96720-2448

Counseling Services:

- Fair Housing Pre-Purchase Education Workshops
- Financial Management/Budget Counseling
- Home Improvement and Rehabilitation Counseling
- Mortgage Delinquency and Default Resolution Counseling
- Non-Delinquency Post Purchase Workshops for Homeowners
- Pre-purchase Counseling
- Pre-purchase Homebuyer Education Workshops
- Predatory Lending Education Workshops
- Rental Housing Counseling
- Services for Homeless Counseling

Languages: - English

Affiliation: LEGAL AID SOCIETY OF HAWAII

Website: n/a

Agency Name: CATHOLIC CHARITIES HAWAII

Phone: 808-527-4673

Toll Free:

Fax: 808-527-4709

Email: info@catholiccharitieshawaii.org

Address: 1822 Ke'eaumoku St.

Honolulu, Hawaii 96822

Counseling Services:

- Rental Housing Counseling
- Services for Homeless Counseling

Languages: - English

Affiliation: CATHOLIC CHARITIES USA

Website: <http://www.catholiccharitieshawaii.org>

Agency Name: HAWAII HOMEOWNERSHIP CENTER

Phone: 808-523-9500

Toll Free: 877-523-9503

Fax: 808-523-9502

Email: info@hihomeownership.org

Address: 1259 Aala Street, #201

Honolulu, Hawaii 96817

Counseling Services:

- Financial Management/Budget Counseling
- Home Improvement and Rehabilitation Counseling
- Mortgage Delinquency and Default Resolution Counseling
- Non-Delinquency Post Purchase Workshops for Homeowners
- Pre-purchase Counseling
- Pre-purchase Homebuyer Education Workshops

Languages: - English

Affiliation: NEIGHBORHOOD REINVESTMENT CORPORATION

Website: <http://www.hihomeownership.org>

Agency Name: HAWAIIAN COMMUNITY ASSETS, INC**Phone:** 808-587-7651**Toll Free:** 866-400-1116**Fax:** 808-587-7899**Email:** laura@hclending.com**Address:** 1050 Queen St. # 201

Honolulu HI 96814

Honolulu, Hawaii 96814

Counseling Services:

- Financial Management/Budget Counseling
- Mortgage Delinquency and Default Resolution Counseling
- Pre-purchase Counseling
- Pre-purchase Homebuyer Education Workshops

Languages:

- English
- Others

Affiliation: RURAL COMMUNITY ASSISTANCE CORPORATION**Website:** <http://www.hawaiiancommunity.net/>**Agency Name:** IHS, THE INSTITUTE FOR HUMAN SERVICES, INC.**Phone:** 808-447-2900**Toll Free:****Fax:** 808-537-2697**Email:** MindaG@ihs-hawaii.org**Address:** 350 Sumner Street

Honolulu, Hawaii 96817

Counseling Services:

- Fair Housing Pre-Purchase Education Workshops
- Rental Housing Counseling
- Services for Homeless Counseling

Languages:

- English

Affiliation: INSTITUTE FOR HUMAN SERVICES, INC. (IHS)**Website:** www.ihs-hawaii.org**Agency Name:** INSTITUTE FOR HUMAN SERVICES, INC. (IHS)**Phone:** 808-447-2900**Toll Free:****Fax:** 808-537-2697**Email:** MindaG@ihs-hawaii.org**Address:** 546 Ka'aahi Street

Honolulu, Hawaii 96817

Counseling Services:

- Fair Housing Pre-Purchase Education Workshops
- Rental Housing Counseling
- Services for Homeless Counseling

Languages:

- English

Affiliation:**Website:** <http://www.ihs-hawaii.org>**Agency Name:** LEGAL AID SOCIETY OF HAWAII**Phone:** 808-536-4302**Toll Free:** 800-499-4302**Fax:** 808-527-8088**Email:** rywada@lashaw.org**Address:** 924 Bethel Street

PO Box 37375

Honolulu, Hawaii 96813

Counseling Services:

- Mortgage Delinquency and Default Resolution Counseling
- Pre-purchase Counseling
- Rental Housing Counseling

Languages:

- English

Affiliation:**Website:** <http://www.legalaidhawaii.org/>**Agency Name:** SELF-HELP HOUSING CORPORATION OF HAWAII**Phone:** 808-842-7111**Toll Free:****Fax:** 808-842-7896**Email:** selfhelphawaii@gmail.com**Address:** 1427 Dillingham Blvd

Suite 305

Honolulu, Hawaii 96817-0000

Counseling Services:

- Financial Management/Budget Counseling
- Mortgage Delinquency and Default Resolution Counseling
- Non-Delinquency Post Purchase Workshops for Homeowners
- Pre-purchase Counseling
- Pre-purchase Homebuyer Education Workshops
- Rental Housing Counseling

Languages: - English
 - Others
Affiliation: MON VALLEY INITIATIVE
Website: <http://n/a>

Agency Name: HALE MAHAOLU HOMEOWNERSHIP/HOUSING COUNSELING
Phone: 808-661-5957

Toll Free:
Fax: 808-661-8328
Email: Keri@halemahaolu.org
Address: 200 Hina Avenue

Kahului, Hawaii 96732-1821

Counseling Services:

- Fair Housing Pre-Purchase Education Workshops
- Financial Management/Budget Counseling
- Mortgage Delinquency and Default Resolution Counseling
- Non-Delinquency Post Purchase Workshops for Homeowners
- Pre-purchase Counseling
- Pre-purchase Homebuyer Education Workshops
- Predatory Lending Education Workshops
- Rental Housing Counseling

Languages: - English
Affiliation:
Website: <http://n/a>

Agency Name: HAWAII HOMEOWNERSHIP CENTER - KONA BRANCH
Phone: 808-930-7661

Toll Free:
Fax:

Email:
Address: 73-5611 Olowalu St

Inside Hawaii Community Fed Credit Union
 Kailua Kona, Hawaii 96740

Counseling Services:

- Financial Management/Budget Counseling
- Home Improvement and Rehabilitation Counseling
- Mortgage Delinquency and Default Resolution Counseling
- Non-Delinquency Post Purchase Workshops for Homeowners
- Pre-purchase Counseling
- Pre-purchase Homebuyer Education Workshops

Languages: - English
Affiliation:
Website: n/a

Agency Name: LEGAL AID SOCIETY OF HAWAII

Phone: 800-499-4302
Toll Free: 800-499-4302
Fax: 808-239-3968

Email:
Address: 47-200 Waihee Rd Ste 104
 Kaneohe, Hawaii 96744-4947

Counseling Services:

- Fair Housing Pre-Purchase Education Workshops
- Financial Management/Budget Counseling
- Home Improvement and Rehabilitation Counseling
- Mortgage Delinquency and Default Resolution Counseling
- Non-Delinquency Post Purchase Workshops for Homeowners
- Pre-purchase Counseling
- Pre-purchase Homebuyer Education Workshops
- Predatory Lending Education Workshops
- Rental Housing Counseling
- Services for Homeless Counseling

Languages: - English
Affiliation: LEGAL AID SOCIETY OF HAWAII
Website: n/a

Agency Name: LEGAL AID SOCIETY OF HAWAII

Phone: 800-499-4302
Toll Free: 800-499-4302
Fax: 808-553-5809

Email:
Address: 1923 Ala Malama St
 Kaunakakai, Hawaii 96748

Counseling Services:

- Fair Housing Pre-Purchase Education Workshops
- Financial Management/Budget Counseling
- Home Improvement and Rehabilitation Counseling
- Mortgage Delinquency and Default Resolution Counseling

- Non-Delinquency Post Purchase Workshops for Homeowners
- Pre-purchase Counseling
- Pre-purchase Homebuyer Education Workshops
- Predatory Lending Education Workshops
- Rental Housing Counseling
- Services for Homeless Counseling

Languages: - English

Affiliation: LEGAL AID SOCIETY OF HAWAII

Website: n/a

Agency Name: LEGAL AID SOCIETY OF HAWAII

Phone: 800-499-4302

Toll Free: 800-499-4302

Fax: 808-246-8824

Email:

Address: 4334 Rice St #204A

Lihue, Hawaii 96766

- Counseling Services:**
- Fair Housing Pre-Purchase Education Workshops
 - Financial Management/Budget Counseling
 - Home Improvement and Rehabilitation Counseling
 - Mortgage Delinquency and Default Resolution Counseling
 - Non-Delinquency Post Purchase Workshops for Homeowners
 - Pre-purchase Counseling
 - Pre-purchase Homebuyer Education Workshops
 - Predatory Lending Education Workshops
 - Rental Housing Counseling
 - Services for Homeless Counseling

Languages: - English

Affiliation: LEGAL AID SOCIETY OF HAWAII

Website: n/a

Agency Name: LEGAL AID SOCIETY OF HAWAII

Phone: 800-499-4302

Toll Free: 800-499-4302

Fax: 808-696-5809

Email:

Address: 85-670 Farrington Hwy Ste A

Waiānae, Hawaii 96792-2354

- Counseling Services:**
- Fair Housing Pre-Purchase Education Workshops
 - Financial Management/Budget Counseling
 - Home Improvement and Rehabilitation Counseling
 - Mortgage Delinquency and Default Resolution Counseling
 - Non-Delinquency Post Purchase Workshops for Homeowners
 - Pre-purchase Counseling
 - Pre-purchase Homebuyer Education Workshops
 - Predatory Lending Education Workshops
 - Rental Housing Counseling
 - Services for Homeless Counseling

Languages: - English

Affiliation: LEGAL AID SOCIETY OF HAWAII

Website: n/a

Agency Name: LEGAL AID SOCIETY OF HAWAII

Phone: 800-499-4302

Toll Free: 800-499-4302

Fax: 808-244-5856

Email:

Address: 2287 Main St

Wailuku, Hawaii 96793-1655

- Counseling Services:**
- Fair Housing Pre-Purchase Education Workshops
 - Home Improvement and Rehabilitation Counseling
 - Mortgage Delinquency and Default Resolution Counseling
 - Non-Delinquency Post Purchase Workshops for Homeowners
 - Pre-purchase Counseling
 - Pre-purchase Homebuyer Education Workshops
 - Predatory Lending Education Workshops
 - Rental Housing Counseling
 - Services for Homeless Counseling

Languages: - English

Affiliation: LEGAL AID SOCIETY OF HAWAII

Website: n/a

HUD News

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Guide to Avoiding Foreclosure

Whether you're in foreclosure now or worried about it in the future, we have information that can help.

Get Help Now!

- ▶ [Talk to a foreclosure avoidance counselor](#)
- ▶ [Talk to your lender](#)
- ▶ [Find state and local foreclosure resources](#)
- ▶ [Contact HOPE NOW](#)

Keep Your Home

- ▶ [Are you at risk of foreclosure?](#)
- ▶ [Tips for avoiding foreclosure](#)
- ▶ [Foreclosure scams](#)

Refinance Options

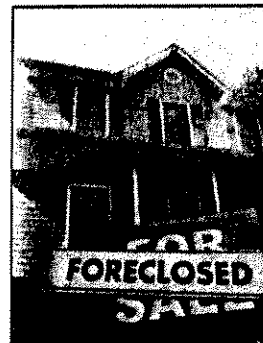
- ▶ [Making Home Affordable Program](#)
- ▶ [Learn about HOPE for Homeowners](#)
- ▶ [Who to call when a lender won't work with you](#)

If You Can't Keep Your Home

- ▶ [Redemption period](#) - your last chance to save your home
- ▶ [Local renting resources](#)
- ▶ [Rental assistance](#)
- ▶ [Relocation resources](#)
- ▶ [U.S. Postal Service Movers Guide](#)

Feedback

Has this information helped you deal with or avoid foreclosure? Is there information we're missing that you think would be helpful for others in a similar situation? [Let us know!](#)

**Related Information**

- ▶ [PD&R Foreclosure Kit](#)
- ▶ [Foreclosure process](#)
- ▶ [Glossary of terms](#)
- ▶ [Common questions about foreclosure](#)

Housing Discrimination and Foreclosure

Have you been discriminated against in either the lending or foreclosure process? You may file an online discrimination complaint

- ▶ [In English](#)
- ▶ [In Spanish, or](#)
- ▶ [Toll-free housing discrimination hotline at \(800\) 669-9777.](#)

Content current as of 4 May 2009

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U.S. Department of Housing and Urban Development
451 7th Street S.W., Washington, DC 20410
Telephone: (202) 708-1112 TTY: (202) 708-1455
[Find the address of a HUD office near you](#)



A A A

888-995-HOPE
Homeowner's HOPE™ Hotline

Now is the Time
to Work Together

HOPE NOW is an alliance between HUD approved counseling agents, mortgage companies, investors and other mortgage market participants that provides free foreclosure prevention assistance.

[About Hope Now](#) | [Homeowner's HOPE™ Hotline](#) | [Events in your area](#) | [Homeowner Resources](#)

Contact Your Mortgage Company

Seeking Mortgage Company Assistance?

[Find Your Mortgage Company's Website](#)

[Call for Assistance](#)

[Submit Request](#)

If your mortgage company is not listed, please call the Homeowner's HOPE™ Hotline at 888-995-HOPE (4673)™

[Click here to learn more.](#)

Free Counseling Help

Seeking Assistance with a Free Counselor?

The HOPE NOW Alliance includes a number of counseling organizations, which consists of all HUD intermediaries that have offices across the United States.

The organizations play a key role in the success of HOPE NOW, providing borrowers in-depth debt management, credit counseling and overall foreclosure counseling.

[Contact HOPE Hotline](#)

[Find a Local Counselor](#)

Beware of Scams. Homeowner's Hope Counseling is ALWAYS free. Call 888-995-HOPE™

A Message from Queen Latifah

[Click here to listen to the video](#)

**FACING
FORECLOSURE
STORIES / HOPE**

Narrated by
Queen Latifah


MAKING HOME AFFORDABLE.gov

The Making Home Affordable Program is part of the President's broad, comprehensive strategy to get the economy back on track. The plan will *help up to 7 to 9 million families restructure or refinance their mortgages to avoid foreclosure*. The plan can help responsible homeowners who are at risk of default or are facing foreclosure.

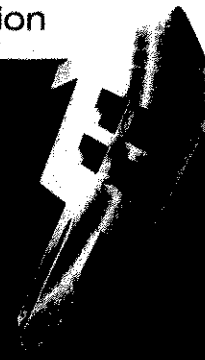
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[Are You Eligible?](#)

[FAQ about the Plan](#)

[Does Fannie or Freddie own my loan?](#)

A note to Homeowners



Facing foreclosure? Scammers are targeting people having trouble paying their mortgages. Some claim to be able to “rescue” homeowners from foreclosures, while others promise loan modifications – for a fee. The **Federal Trade Commission**, the nation’s consumer protection agency, wants you to know how to avoid scams that could make your housing situation go from bad to worse.

Don’t Get Hit by a Pitch.

“We can stop your foreclosure!”

“97% success rate!”

“Guaranteed to save your home!”

These kinds of claims are the tell-tale signs of a foreclosure rip-off. Steer clear of anyone who offers an easy out.

Don’t Pay for a Promise.

Don’t pay any business, organization, or person who promises to prevent foreclosure or get you a new mortgage. These so-called “foreclosure rescue companies” claim they can help save your home, but they’re out to make a quick buck. Some may request hefty fees in advance – and then stop returning your calls. Others may string you along before disclosing their charges. Cut off all dealings if someone insists on a fee.

Send Payments Directly.

Some scammers offer to handle financial arrangements for you, but then just pocket your payment. Send your mortgage payments **ONLY** to your mortgage servicer.

Don’t Pay for a Second Opinion.

Have you applied for a loan modification and been turned down? Never pay for a “second opinion.”

Imitations = Frustrations.

Some con artists use names, phone numbers, and websites to make it look like they’re part of the government. If you want to contact a government agency, type the web address directly into your browser and look up any address you aren’t sure about. Use phone numbers listed on agency websites or in other reliable sources, like the Blue Pages in your phone directory. Don’t click on links or open any attachments in unexpected emails.

Talk to a HUD-Certified Counseling Agency – For Free.

If you’re having trouble paying your mortgage or you’ve already gotten a delinquency notice, free help is a phone call away. Call 1-888-995-HOPE for free personalized advice from housing counseling agencies certified by the U.S. Department of Housing and Urban Development (HUD). This national hotline – open 24/7 – is operated by the Homeownership Preservation Foundation, a nonprofit member of the HOPE NOW Alliance of mortgage industry members and HUD-certified counseling agencies. For free guidance online, visit www.hopenow.com. For free information on the President’s plan to help homeowners, visit www.makinghomeaffordable.gov.

Call

1-888-995-HOPE

for free personalized guidance from housing counseling agencies certified by the U.S. Department of Housing and Urban Development. The Homeowner's HOPE™ Hotline – open 24/7 – is operated by the Homeownership Preservation Foundation, a nonprofit member of the HOPE NOW Alliance of mortgage industry members and HUD-certified counseling agencies. Or visit

www.hopenow.com

For free information on the President's plan to help homeowners, visit

www.makinghomeaffordable.gov



FEDERAL MAKING HOME AFFORDABLE PROGRAM

Text A - A - A

Need urgent help? Contact the Homeowner's HOPE™ Hotline. (888) 995-HOPE



HELP FOR AMERICA'S HOMEOWNERS

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About

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■ ABOUT MAKING HOME AFFORDABLE

In February 2009, the Obama Administration introduced a comprehensive Financial Stability Plan to address the key problems at the heart of the current crisis to get our economy back on track. A critical piece of that effort is Making Home Affordable, a plan to stabilize the housing market and help struggling homeowners get relief and avoid foreclosure.

The Home Affordable Modification Program provides eligible homeowners the opportunity to modify their mortgages to make them more affordable. Over one million homeowners have already gotten help under the program. The program is on track to offer help to 3 to 4 million homeowners by 2012.

On March 26, the Obama Administration announced expanded flexibility for mortgage servicers to assist more unemployed homeowners and homeowners who are underwater through the program.

The Second Lien Modification Program (2MP) offers homeowners a way to modify their second mortgages to make them more affordable when their first mortgage is modified under the Home Affordable Modification Program.

The Home Affordable Refinance Program gives homeowners with loans owned or guaranteed by Fannie Mae or Freddie Mac an opportunity to refinance into more affordable monthly payments.

The Home Affordable Foreclosure Alternatives Program provides opportunities for homeowners who can no longer afford to stay in their home but want to avoid foreclosure to transition to more affordable housing through a short sale or deed-in-lieu of foreclosure.

Our homeowner website, www.MakingHomeAffordable.gov, provides detailed information and resources about these programs. Through this website, homeowners can also connect with free HUD-approved counseling organizations, locate free events in their area, find the application documents necessary to apply for the Making Home Affordable Program, as well as find answers to frequently asked questions, and much more.

We hope that you will find this website informative and useful as we all work together to solve our nation's housing crisis and put our country on the path to a lasting economic recovery.

Download a Brochure
Read [more](#) about the program.

Helpful Links

- [Refinance Eligibility](#)
- [Modification Eligibility](#)
- [Second Lien Modification Program](#)
- [Home Affordable Foreclosure Alternatives](#)
- [Find a Counselor](#)
- [Homeowner Events](#)
- [Frequently Asked Questions](#)

Beware of Foreclosure Rescue Scams – Help is Free!

- There is never a fee to get assistance or information about Making Home Affordable from your lender or a HUD-approved housing counselor.
- Beware of any person or organization that asks you to pay a fee in exchange for housing counseling services or modification of a delinquent loan. *Do not pay – walk away!*
- Beware of anyone who says they can “save” your home if you sign or transfer over the deed to your house. Do not sign over the deed to your property to any organization or individual unless you are working directly with your mortgage company to forgive your debt.
- Never submit your mortgage payments to anyone other than your mortgage company without their approval.

The Obama Administration has launched a coordinated effort across federal and state government and the private sector to target mortgage loan modification fraud and foreclosure rescue scams that threaten to hurt American homeowners and prevent them from getting the help they need during these challenging times. [Click here for more information.](#)



In partnership with FinancialStability.gov

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MORTGAGE FORECLOSURE RESCUE SCAMS

FTC Facts For Consumers

February 2008

focuson
CREDIT 

FEDERAL TRADE COMMISSION
FOR THE CONSUMER

www.ftc.gov ■ 1-877-ftc-help

Foreclosure Rescue Scams: *Another Potential Stress for Homeowners in Distress*

The possibility of losing your home to foreclosure can be terrifying. The reality that scam artists are preying on the vulnerability of desperate homeowners is equally frightening. Many so-called foreclosure rescue companies or foreclosure assistance firms claim they can help you save your home. Some are brazen enough to offer a money-back guarantee. Unfortunately, once most of these foreclosure fraudsters take your money, they leave you much the worse for wear.

Fraudulent foreclosure “rescue” professionals use half truths and outright lies to sell services that promise relief and then fail to deliver. Their goal is to make a quick profit through fees or mortgage payments they collect from you, but do not pass on to the lender. Sometimes, they assume ownership of your property by deceiving you, the homeowner. Then, when it’s too late to save your home, they take the property or siphon off the equity. You’ve lost your home to foreclosure despite your best intentions.

If you think you may be facing foreclosure, the Federal Trade Commission (FTC), the nation’s consumer protection agency, wants you to know how to recognize a foreclosure rescue scam. And even if the foreclosure process has already begun, the FTC and its law enforcement partners want you to know that legitimate options are available to help you save your home.



HOW THE SCAMS WORK

Foreclosure rescue firms use a variety of tactics to find homeowners in distress: Some sift through public foreclosure notices in newspapers and on the Internet or through public files at local government offices, and then send personalized letters to homeowners. Others take a broader approach through ads on the Internet, on television, or in the newspaper, posters on telephone poles, median strips and at bus stops, or flyers or business cards at your front door.

The scam artists use simple and straight-forward messages, like:

"Stop Foreclosure Now!"

"We guarantee to stop your foreclosure."

"Keep Your Home. We know your home is scheduled to be sold. No Problem!"

"We have special relationships within many banks that can speed up case approvals."

"We Can Save Your Home. Guaranteed. Free Consultation"

"We stop foreclosures everyday. Our team of professionals can stop yours this week!"

Once they have your attention, they use a variety of tactics to get your money:

Phony Counseling or Phantom Help

The scam artist tells you that he can negotiate a deal with your lender to save your house if you pay a fee first. You may be told not to contact your lender, lawyer, or credit counselor, and to let the scam artist handle all the details.

Once you pay the fee, the scam artist takes off with your money.

Sometimes, the scam artist insists that you make all mortgage payments directly to him while he negotiates with the lender. In this instance, the scammer may collect a few months of payments before disappearing.

Bait-and-Switch

You think you're signing documents for a new loan to make your existing mortgage current. This is a trick: you've signed documents that surrender the title of your house to the scam artist in exchange for a "rescue" loan.

Rent-to-Buy Scheme

You're told to surrender the title as part of a deal that allows you to remain in your home as a renter, and to buy it back during the next few years. You may be told that surrendering the title will permit a borrower with a better credit rating to secure new financing – and prevent the loss of the home. But the terms of these deals usually are so burdensome that buying back your home becomes impossible. You lose the home, and the scam artist walks off with all or most of your home's equity. Worse yet, when the new borrower defaults on the loan, you're evicted.

In a variation, the scam artist raises the rent over time to the point that the former homeowner can't afford it. After missing several rent payments, the renter – the former homeowner – is evicted, leaving the "rescuer" free to sell the house.

In a similar equity-skimming situation, the scam artist offers to find a buyer for your home, but only if you sign over the deed and move out. The scam artist promises to pay you a portion of the profit when the home sells. Once you transfer the deed, the scam artist simply rents out the home and pockets the proceeds while your lender proceeds with the foreclosure. In the end, you lose your home – and you're still responsible for the unpaid mortgage. That's because transferring the deed does nothing to transfer your mortgage obligation.

Fraudulent foreclosure "rescue" professionals use half truths and outright lies to sell services that promise relief and then fail to deliver.

Bankruptcy Foreclosure

The scam artist may promise to negotiate with your lender or to get refinancing on your behalf if you pay a fee up front. Instead of contacting your lender or refinancing your loan, though, the scam artist pockets the fee and files a bankruptcy case in your name – sometimes without your knowledge.

A bankruptcy filing often stops a home foreclosure, but only temporarily. What's more, the bankruptcy process is complicated, expensive, and unforgiving. For example, if you fail to attend the first meeting with the creditors, the bankruptcy judge will dismiss the case and the foreclosure proceedings will continue.

If this happens, you could lose the money you paid to the scam artist as well as your home. Worse yet, a bankruptcy stays on your credit report for 10 years, and can make it difficult to obtain credit, buy a home, get life insurance, or sometimes get a job.

WHERE TO FIND LEGITIMATE HELP

If you're having trouble paying your mortgage or you have gotten a foreclosure notice, contact your lender immediately. You may be able to negotiate a new repayment schedule. Remember that lenders generally don't want to foreclose; it costs them money.

Other foreclosure prevention options, including reinstatement and forbearance, are explained in *Mortgage Payments Sending You Reeling? Here's What to Do*, a publication from the FTC. Find it at www.ftc.gov.

You also may contact a credit counselor through the Homeownership Preservation Foundation (HPF), a nonprofit organization that operates the national 24/7 toll-free hotline (1.888.995.

HOPE) with free, bilingual, personalized assistance to help at-risk homeowners avoid foreclosure. HPF is a member of the HOPE NOW Alliance of mortgage servicers, mortgage market participants and counselors. More information about HOPE NOW is at www.995hope.org.

If you're having trouble paying your mortgage or you have gotten a foreclosure notice, contact your lender immediately.

RED FLAGS

If you're looking for foreclosure prevention help, avoid any business that:

- guarantees to stop the foreclosure process – no matter what your circumstances
- instructs you not to contact your lender, lawyer, or credit or housing counselor
- collects a fee before providing you with any services
- accepts payment only by cashier's check or wire transfer
- encourages you to lease your home so you can buy it back over time
- tells you to make your mortgage payments directly to it, rather than your lender
- tells you to transfer your property deed or title to it
- offers to buy your house for cash at a fixed price that is not set by the housing market at the time of sale
- offers to fill out paperwork for you
- pressures you to sign paperwork you haven't had a chance to read thoroughly or that you don't understand.

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CA 2009-1

Consumer Advisory

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

April 21, 2009

OCC Consumer Tips for Avoiding Mortgage Modification Scams and Foreclosure Rescue Scams

Scams that promise to “rescue” you from foreclosure are popping up at an alarming rate nationwide, and you need to protect yourself and your home.

If you’re falling behind on your mortgage, others may know it, too — including con artists and scam artists. They know that people in these situations are vulnerable and often desperate. Potential victims are easy to find: mortgage lenders publish notices before foreclosing on homes. Private firms frequently compile and sell lists of these foreclosed properties and distressed borrowers. After reading these notices, con artists approach their targets in person, by mail, over the telephone, or by e-mail. They often advertise their services on television, radio, or the Web, and in newspapers, describing themselves as “foreclosure consultants” or “mortgage consultants,” offering “foreclosure prevention” or “foreclosure rescue” services. And they are only too happy to take advantage of homeowners who want to save their homes.

If someone offers to negotiate a loan modification for you or to stop or delay foreclosure for a fee, carefully check his or her credentials, reputation, and experience, watch out for warning signs of a scam, and always maintain personal contact with your lender and mortgage servicer. Your mortgage lender can help you find real options to avoid foreclosure. It is important to contact your mortgage lender early to preserve all your options. There are legitimate **consumer** financial counseling agencies that can help you work with your lender.

This **Consumer Advisory**, issued by the Office of the Comptroller of the Currency (OCC), describes common scams, suggests ways to protect yourself, provides information on U.S. government loan programs and counseling resources, and lists 10 warning signs of a mortgage modification scam.

Common Types of Scams

Here are some examples of scams related to mortgage modification and foreclosure avoidance.

- **Foreclosure “rescue” and refinance fraud.** The scam artist offers to act as an intermediary between you and your lender to negotiate a repayment plan or loan modification and may even “guarantee” to save your home from foreclosure. You may be told to make mortgage payments to the scammer directly — along with significant, up-front fees — and be told that the scammer will forward the payments to your lender. In reality, the scammer may pocket your money and leave you in worse shape on your loan. The scam artist also may tell you to stop making payments or stop communicating with your lender. Don’t follow that advice.

Remember that your mortgage lender should be the starting point for finding options to avoid foreclosure. You also should consider contacting qualified and approved credit counselors.

- **Fake “government” modification programs.** Unscrupulous people may claim to be affiliated with, or approved by, the government or may ask you to pay high up-front fees to qualify for government mortgage modification programs. While government-supported mortgage modification and refinancing initiatives are legitimate, the scam artists’ claims are not. Keep in mind that you do not have to pay to benefit from these government programs. All you need to do is contact your lender or loan servicer.

The scam artist’s name or Web site may be very similar to those of government agencies. The scam artist may use such terms as “federal,” “TARP,” or other words or acronyms related to official U.S. government programs. These tactics are designed to fool you into thinking the scam artist is somehow approved by, or affiliated with, the government. The government is taking actions to stop this fraud, but you also need to protect yourself. So be wary of claims offering “government-approved” or “official government” loan modifications. Your lender will be able to tell you whether you qualify for any government initiatives to prevent foreclosure. You do not have to pay anyone to benefit from them.

- **Leaseback/rent-to-buy schemes.** In this type of scam, you are asked to transfer the title to your home to the scammer, who will, supposedly, obtain new and better financing and/or allow you to remain in the home as a renter and eventually buy it back. If you do not comply with the terms of the rent-to-buy agreement, you will lose your money and face eviction. The agreement may be very hard to comply with, because it may require, for instance, high up-front and monthly payments that you may not be able to afford. In fact, the scammers may have no intention of ever selling the home back to you. They simply want your home and your money.

Remember that transferring your title does not change your payment obligations — you will still owe your mortgage debt. The difference will be that you will no longer own your home. If payments are not made on the mortgage, your lender has the right to foreclose, and the foreclosure and any other problems will appear on your credit report.

- **Bankruptcy scams.** You may have heard that filing bankruptcy will stop a foreclosure. This is true — but only temporarily. Filing bankruptcy brings an “automatic stay” into effect that stops any collection and foreclosure while the bankruptcy court administers the case. Eventually, you must start paying your mortgage lender, or the lender will be able to foreclose. Bankruptcy is rarely, if ever, a permanent solution to prevent foreclosure. In addition, bankruptcy will negatively impact your credit score and will remain on your credit report for 10 years.
- **Debt-elimination schemes.** Scammers may claim to be able to “eliminate” your debt by making illegitimate legal arguments that you are not obligated to pay back your mortgage. These scammers will provide you with inaccurate claims about applicable laws and finance, such as that “secret laws” can be used to eliminate debt or that banks do not have the authority to lend money. Do not stop making payments on your mortgage based on their claims.

How to Protect Yourself from Mortgage Modification and Foreclosure Avoidance Scams

Always proceed with caution when dealing with anyone offering to help you modify your mortgage or avoid foreclosure. Remember that you do not *need* a third party to work with your lender — any such party should make the process easier, not harder and more expensive.

- **Contact your lender or mortgage servicer first.** Speak with someone in the loss mitigation department for mortgage modification options and other alternatives to foreclosure.
- **Make all mortgage payments directly to your lender or to the mortgage servicer.** Do not trust anyone to make mortgage payments for you, and do not stop making your payments.
- **Avoid paying up-front fees.** While some legitimate housing counselors will charge small fees for their services, do not pay fees to anyone before receiving any services. Make sure you are dealing with a legitimate organization.
- **Know what you are signing.** Read and understand every document you sign. Do not rely on an oral explanation of a document you are signing — make sure that you read and understand what the document actually says. Otherwise, a document may obligate you to terms you don’t want or may even convey ownership of your home to someone else. Never sign documents with blank spaces that can be filled in later. Never sign a document that contains errors or false statements, even if someone promises to correct them. If a document is too complex to understand, seek advice from a lawyer you trust or a legitimate, trusted financial counselor.
- **Do not sign over your deed without consulting a lawyer you select.** Foreclosure scams often involve transfer of ownership of your home to a con artist or another third party. Never agree to this without getting the advice of your own lawyer, financial advisor, credit counselor, or other independent person

you know you can trust. By signing over your deed, you lose the rights to your home and any equity built up in the home — and you are still obligated to pay the mortgage.

- **Get promises in writing.** Oral promises and agreements relating to your home are usually not legally binding. Protect your rights with a written document or contract signed by the person making the promise. Keep copies of all contracts that you sign. Again, never sign anything you don't understand.
- **Report suspicious activity to relevant federal agencies, such as the Federal Trade Commission, and to your state and local consumer protection agencies.** Reporting con artists and suspicious schemes helps prevent others from becoming victims. If your complaint or question involves a national bank and you cannot resolve it directly with the bank, contact the OCC's Customer Assistance Group by calling (800) 613-6743, by sending an e-mail to customer.assistance@occ.treas.gov, or by visiting www.HelpWithMyBank.gov.
- **Contact a legitimate housing or financial counselor to help you work through your problems.**
 - To find a counselor, contact the U.S. Department of Housing and Urban Development (**HUD**) at (800) 569-4287 or (877) 483-1515, or go to www.hud.gov/offices/hsg/sfh/hcc/hccprof14.cfm.
 - Call (888) 995-HOPE, the Homeowner's HOPE Hotline to reach a nonprofit, **HUD**-approved counselor through HOPE NOW, a cooperative effort of mortgage counselors and lenders to assist homeowners.
 - Visit NeighborWorks America's Web site at www.nw.org/network/home.asp.
- **Visit the following Web sites for further information:**
 - The OCC's **consumer** information site for banking-related questions: www.helpwithmybank.gov.
 - OCC Customer Assistance Group and **consumer** assistance site: www.occ.gov/customer.htm.
 - Federal Trade Commission: www.ftc.gov/bcp/edu/pubs/consumer/homes/rea04.shtm.
 - Federal Reserve Board: <http://www.federalreserve.gov/pubs/foreclosuresscamtips/default.htm>.
 - NeighborWorks America: www.nw.org.
 - HOPE NOW: www.hopenow.com.
- **Apply for a government-sponsored loan modification or refinancing.** The U.S. government has developed a major loan modification and refinancing program to help homeowners find affordable loans and to save their homes.

- o Go to this Web site for information on these federal mortgage modification and refinancing programs: www.makinghomeaffordable.gov.

Ten Warning Signs of a Mortgage Modification Scam

1. **"Pay us \$1,000, and we'll save your home."** Some legitimate housing counselors may charge small fees, but fees that amount to thousands of dollars are likely a sign of potential fraud — especially if they are charged up-front, before the "counselor" has done any work for you. Be wary of companies that require you to provide a cashier's check or wire transfer before they take any action on your behalf.
2. **"I guarantee I will save your home – trust me."** Beware of guarantees that a person or company can stop foreclosure and allow you to remain in your house. Unrealistic promises are a sign that the person making them will not consider your particular circumstances and is unlikely to provide services that will actually help you.
3. **"Sign over your home, and we'll let you stay in it."** Be very suspicious if someone offers to pay your mortgage and rent your home back to you in exchange for transferring title to your home. Signing over the deed to another person gives that person the power to evict you, raise your rent, or sell the house. Although you will no longer own your home, you still will be legally responsible for paying the mortgage on it.
4. **"Stop paying your mortgage."** Do not trust anyone who tells you to stop making payments to your lender and servicer, even if that person says it will be done for you.
5. **"If your lender calls, don't talk to them."** Your lender should be your first point of contact for negotiating a repayment plan, modification, or short sale. It is vital to your interests to stay in close communication with your lender and servicer, so they understand your circumstances.
6. **"Your lender never had the legal authority to make a loan."** Do not listen to anyone who claims that "secret laws" or "secret information" will be used to eliminate your debt and have your mortgage contract declared invalid. These scammers use sham legal arguments to claim that you are not obligated to pay your mortgage. These arguments don't work.
7. **"Just sign this now; we'll fill in the blanks later."** Take the time to read and understand anything you sign. Never let anyone else fill out paperwork for you. Don't let anyone pressure you into signing anything that you don't agree with or understand.
8. **"Call 1-800-Fed-Loan."** This may be a scam. Some companies trick borrowers into believing that they are affiliated with or are approved by the government or tell you that you must pay them high fees to qualify for government loan modification programs. Keep in mind that you do not have to pay to participate in legitimate government programs. All you need

to do is contact your lender to find out if you qualify.

9. **“File for bankruptcy and keep your home.”** Filing bankruptcy only temporarily stops foreclosure. If your mortgage payments are not made, the bankruptcy court will eventually allow your lender to foreclose on your home. Be aware that some scammers will file bankruptcy in your name, without your knowledge, to temporarily stop foreclosure and make it seem as though they have negotiated a new payment agreement with your lender.
10. **“Why haven’t you replied to our offer? Do you want to live on the streets?”** High-pressure tactics signal trouble. If someone continually contacts you and pressures you to work with them to stop foreclosure, do not work with that person. Legitimate housing counselors do not conduct business that way.

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